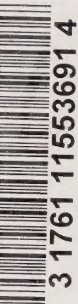


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CANADA
development incentives
for industry
in designated regions
and special areas

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REGIONAL ECONOMIC EXPANSION CANADA
EXPANSION ÉCONOMIQUE RÉGIONALE CANADA

THE PROGRAM

Industrial incentives for regional development.

FOR WHAT PURPOSE?

To create new job opportunities in regions where special action is needed to speed up economic growth.

WHERE IN CANADA?

In designated regions under the Regional Development Incentives Act (see map) plus some special areas.

WHAT TYPES OF INDUSTRY?

Manufacturing & Processing Plants

Incentive grants and loan guarantees apply to most manufacturing and processing industries. Excluded is initial processing in resource-based industry.

Commercial Facilities

Loan guarantees, but *not* incentive grants, are available for major new commercial facilities (hotel, convention and recreation facilities and — in large centres of population — business offices, shopping centres and warehousing and freight-handling facilities).

WHAT ARE THE INCENTIVES?

Incentive Grants

For new plants or new product expansions, up to 35% of capital costs (buildings, machinery and equipment) plus up to \$7,000 per job created.

For expansions or modernizations, up to 30% of capital costs.

Loan Guarantees

The maximum loan which the Department can facilitate by a partial guarantee is 80% of the total capital cost of a project, less any incentive or other assistance from any level of Government.

WHAT ARE THE MAXIMUM BENEFITS?

The actual level of any incentive grant offered depends on the needs of the particular project and is subject to different limitations in different regions. The absolute maximum is \$6 million for a modernization or ordinary expansion. For a new plant or new product expansion, there are ceilings of \$30,000 per job created or one half of the capital to be employed.

WHAT IS THE MINIMUM INVESTMENT?

Manufacturing or Processing Industries

\$30,000 capital costs for modernizations or expansions.

\$60,000 for new plants or expansions into new product lines.

Commercial Facilities

\$5,000,000 capital costs for facilities located in the metropolitan area of Montreal.

\$1,000,000 for facilities located in other large centres of population.

\$500,000 for facilities located elsewhere.



WHEN ARE THE INCENTIVE GRANTS PAID?

80% when commercial production begins.

20% within 2½ years for modernizations or expansions and 3½ years for new plants or new product expansions.

WHAT ARE THE CONDITIONS?

An application must be received when the project is in the planning stage, before any commitments are undertaken.

The applicant must provide equity of at least 20% of capital cost.

Commercial production must begin by December 31, 1976, at the latest. For projects coming into production after December 31, 1973, the maximum rate incentive is 25% of capital costs plus \$5,000 per job created.

An offer of an incentive remains open for acceptance for 90 days. The offer will specify a date by which construction or installation must begin.

Canadian manufacturers must be given a reasonable opportunity to supply machinery and equipment.

The operation must employ residents of the designated region to maximum extent practicable.

Other conditions are outlined in the Regional Development Incentives Act and Regulations.

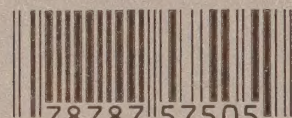
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